

Company Registration No. 02400784 (England and Wales)

**THE BROOKE WESTON TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2019**

THE BROOKE WESTON TRUST

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THE BROOKE WESTON TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

A E G de Capell Brooke
R Lane
G G Weston
G H Weston

Trustees

Dr A Campbell (CEO and Accounting Officer)
R Morrison (Chair of Trustees)
A E G de Capell Brooke
P Harris-Bridge (Chair of Finance and Resources Committee)
R Lane
H Stevenson
G G Weston
G H Weston
Sir P A Simpson (Chair of Audit and Risk Committee)
S Taylor
Mrs W Brooks (Appointed 30 September 2019)

Executive Management Team

- Chief Executive Officer	Dr A Campbell
- Finance Director	Mrs D Tysoe
- Head of Analytics, Performance and Innovation	J Henrys (resigned 26 August 2019)

Company secretary

Mrs D Tysoe

Company registration number

02400784 (England and Wales)

Principal and registered office

Coomb Road
Great Oakley
Corby
Northamptonshire
NN18 8LA

Executive principals

- Executive Principal (Secondary)	Mrs A Hill
- Executive Principal (Primary)	L Smith

Academies operated

Beanfield Primary School
Brooke Weston Academy
Corby Business Academy
Corby Technical School
Compass Primary Academy
Gretton Primary School
Kettering Science Academy
Oakley Vale Primary School
Peckover Primary School
Thomas Clarkson Academy

Location

Northamptonshire
Northamptonshire
Northamptonshire
Northamptonshire
Northamptonshire
Northamptonshire
Northamptonshire
Northamptonshire
Cambridgeshire
Cambridgeshire

Principal

S Eathorne
P Kirkbride
S Underwood
A Reynolds
J Fallowell
J MacDonald
T Segalini
E Goodwin
C Norman
R Scott

THE BROOKE WESTON TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor Baldwins Audit Services
Thorpe House
93 Headlands
Kettering
Northamptonshire
NN15 6BL

Bankers HSBC Bank plc
22-24 Corporation Street
Corby
Northamptonshire
NN17 1NJ

Solicitors Browne Jacobson LLP
Victoria Square House
Victoria Square
Birmingham
B2 4BU

THE BROOKE WESTON TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates five primary and five secondary academies in Northamptonshire and Cambridgeshire. Its academies have a combined pupil capacity of 8,334 and had a roll of 7,282 in the school census on 3 October 2019.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of The Brooke Weston Trust are also the directors of the charitable company for the purposes of company law.

Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

Trustees' indemnities

As required in the Articles of Association The Academy has registered with the RPA to cover the liability of Trustees/Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Academy. The cover under the policy is £10,000,000 and in the period under review no sums have been paid out.

Method of recruitment and appointment or election of trustees

As laid down in Sections 45-67a of the Articles of Association the number of Directors shall not be less than three directors. The Principal Sponsors (A de Capell Brooke and the Garfield Weston Foundation) may appoint up to two directors each including themselves. The Chief Executive Officer shall remain a director for as long as he remains in office. The Secretary of State for Education may appoint as many directors as he thinks fit in accordance with the terms of the funding agreement. In addition to this, the directors themselves may appoint up to seven co-opted directors for a term of up to four years.

The term of office for any director shall be limited to four years, except the Chief Executive Officer (who remains a director whilst in post) and the Principal Sponsor (during any period in which the Principal Sponsor is a director), subject to the remaining being eligible to be a particular type of director, any director may be re-appointed or re-elected. Relevant due diligence in the form of a comprehensive skills and effectiveness audit and uptake of character and employment references are undertaken prior to consideration of appointing a director to the board. External expert advice is sought on the effectiveness of the operation of the board, its recruitment process and its governance structures.

THE BROOKE WESTON TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Policies and procedures adopted for the induction and training of trustees

All Trustees are provided with induction training upon their appointment. This includes a range of training pertaining to the management of a multi-academy trust, with statutory training, such as safeguarding and GDPR, included. The induction provides training on charity and educational, legal and financial matters. All directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as directors, including the Academies Financial Handbook and other DfE and ESFA guidance that they will need to fulfil their role. Additional training is available and directors are regularly notified of in-house courses/training sessions offered by Brooke Weston Trust. Any other training needs identified through the annual Board effectiveness review are promptly actioned. All directors receive access to external advice and support through the National Governors' Association and also have access to a Company Secretary for further assistance and guidance.

Organisational structure

The overall responsibility of the Members is to ensure the Trust's object, as per the Articles of Association (establishing, maintaining, operating, managing and developing schools including, but in no way limited to a school offering a broad curriculum with emphasis on particular specialisms; collaborating with other schools and the wider community to share expertise and resources) is met; and to hold the Board of Directors to account.

The overall responsibility of the Board of Directors is the general control and management of the administration of Brooke Weston Trust, and in accordance with the provisions set out in the Articles of Association and Master Funding Agreement, is legally responsible and accountable for all statutory functions and the performance of the academies under its responsibility. The Board of Directors delegates the operational management of the Academy Trust to the Chief Executive Officer (also the Accounting Officer), as outlined in the Scheme of Delegation. His main task is to execute the strategic objectives as determined by the Board of Directors and embed policies agreed by the Directors in relation to its education functions and to bring forward for approval, proposals for further improving the quality of educational experience of the Trust's young people. The day-to-day management of each school is delegated to the Principals and their senior leadership teams, as detailed in the Scheme of Delegation. Each school is governed by a Local Governing Body who are responsible for providing critical support and challenge to the leadership team around: setting the academy's vision, ethos and strategic direction; holding the Principal to account for the educational performance of the academy and its pupils; and ensuring the academy and staff have the correct resources and support to fulfil their function.

The subcommittees of the Board and Best Practice Review Groups are in place to develop, implement and quality assure strategies in key areas of operation; Finance and Resources, Audit and Risk, Education Standards, Remunerations, Health & Safety, and Safeguarding. An Operations Group consisting of; Executive Principals, Finance Director, Senior Operations Manager, Senior Finance/HR Manager and Executive Officer support the Chief Executive Officer in managing the Trust across all business functions. Terms of reference for each of these groups are published on the Brooke Weston Trust website.

THE BROOKE WESTON TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Arrangements for setting pay and remuneration of key management personnel

The Board of Directors seek to ensure that the public obtain value for money from the personnel appointed within the Trust and are attentive to the guidance provided by the ESFA regarding executive pay.

The pay and remuneration of the Operations Group 'key management personnel' is set by the Trust Remunerations Committee. The Remunerations Committee benchmarks Executive Management pay levels with relevant market information. The Chair of the Board of Directors undertakes the Performance Management of the Chief Executive Officer and Finance Director and makes recommendation to the Board of Directors along with evidence of targets and key performance indicators met.

The Trust Remunerations Committee delegates the responsibility of Performance Management of the academy Principals to the Chief Executive Officer. The Chief Executive Officer, in conjunction with the Finance Director, makes recommendations to the Remunerations Committee along with evidence of targets and key performance indicators met.

All teaching staff and leaders are paid with reference to the School Teachers' Conditions of Service.

For support staff, The Brooke Weston Trust uses recognised pay evaluation schemes to ensure fairness and equity of pay in similar sized jobs across the organisation and also to benchmark salaries at all levels of the organisation. This is in line with the Pay Standardisation Agreement, as agreed with union colleagues during the previous academic year.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	6
Full-time equivalent employee number	5.58

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	6
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	1,917
Total pay bill	30,000,000
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	19%
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Related parties and other connected charities and organisations

The Brooke Weston Trust owns 100% of the issued ordinary shares of Corby CTC Trading Limited, a company incorporated in England and Wales (registration no. 03062232). Further details regarding the subsidiary company are given in note 13 to the financial statements.

THE BROOKE WESTON TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities

Objects and aims

The principal object and activity of the Academy Trust is to provide education for pupils of different abilities between the ages of 3 and 19.

In accordance with the articles of association the Academy Trust has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the academies, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum with an emphasis on learning by doing and developing transferable life skills.

Objectives, strategies and activities

The overall mission of the Brooke Weston Trust is to transform educational performance in communities where we work through our long-term commitment to improve student achievement and remove barriers to learning while providing opportunities for personal development.

The main objectives of the Academy Trust during the year ended 31 August 2019 are summarised below:

- to ensure that every child enjoys the same high-quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils by being ambitious for all;
- to improve the effectiveness of the academies by keeping the curriculum and organisational structure under continual review;
- to have a culture that cares for the individual, both staff and pupils, and promotes inclusivity, equality and mutual respect.
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce;
- to conduct the Academy Trust's business in accordance with the highest standards of integrity, probity and openness and with regard to ESFA Academies Financial Handbook;
- to adhere to the NOLAN principles of public life: selflessness, integrity, objectivity, accountability, openness, honesty and leadership

The Academy Trust's main strategy to carry out the objects is to provide education for pupils of different abilities, in a learning environment utilising the best possible teaching facilities and staff. To this end the activities provided include:

- tuition and learning opportunities for all students to attain appropriate academic qualifications through the provision of broad, balanced and contextually appropriate curriculum at each school;
- training opportunities for all staff, and especially teaching staff;
- secondments and placing of students with industrial and commercial partners;
- a programme of sporting and after school leisure activities for all students;
- a system of after school clubs to allow students to explore science and technology in a practical and project orientated way;
- a careers advice and a guidance programme to help students obtain employment or move on to higher education.

Public benefit

The Trustees have referred to the public benefit guidance contained in part 1, section 4 of the Charities Act 2006 and the SORP (items GL 49) to have due regard to the Charity Commission's published general and relevant guidance when they have reviewed the Academy Trust's aims and objectives. This has been used in planning future activities to ensure the primary objective of the Academy is achieved rather than providing a financial return.

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy Trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

THE BROOKE WESTON TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report

Achievements and performance

BWT is an organisation with 'Ambition for All' at its heart. During 2018-19 we have continued our strategy of investing our modest Trust reserves into school improvement, reducing the overall Trust figure but retaining capacity for further investment over the coming years to support delivery of our performance and infrastructure development objectives. 2018-19 was the last in our four-year strategy to invest more of our reserves in schools. We have ensured that from 2019-20 onwards school improvement capacity can be funded from income and not reserves. Almost all our schools are in social mobility cold spots and areas of multiple disadvantage, so it is extremely important we maintain the ability to support them through well-planned Trust-wide collaborations, adoption of cost-effective and common solutions for our infrastructure needs and school-specific packages of staff development and capital investment.

The 'Ambition for All' approach demands we have high expectations and seek a positive impact from all our decisions affecting the quality of education and life opportunities we provide for our students and staff. This covers everything from an inclusive, exciting and relevant curriculum offer delivered through excellent teaching, to high quality leadership training and staff development, to the very best food and informal social environments in every school, 'Ambition for All' is a culture that pervades everything we do.

The next few paragraphs summarise progress we have made against our 2018-19 objectives. Further information about the Trust is available at www.brookewestontrust.org.

2018-19 Objectives

1. Recruitment and Retention
2. School Standards
3. Core Services and infrastructure
4. Finance
5. Growth
6. Governance

Recruitment and Retention

2018-19 saw a reduction in staff turnover, much of which was driven by new initiatives launched during the year. For example, our new Brooke Weston Trust Leadership Academy has proved to be a very successful retention initiative for middle leaders (90% retention rate). It was founded to develop the skills of aspiring senior leaders to complement the national qualifications that are already on offer. 20 colleagues from across the Trust in middle leadership roles were the pioneers for the programme which included psychometric profiling and invitations to leadership workshops led by experts from within and beyond education. Sessions focused on developing strong team relationships, understanding external accountability, MAT governance, successful leadership in challenging contexts, and implementing change. We have launched a second Leadership Academy cohort and those from the first group have now begun placements at another school or setting outside their current experience. In 2019-20 we are seeking to expand the programme to include managerial personnel from across our support staff functions.

"The Leadership Academy has been a great experience and every workshop has given me a wealth of knowledge and helpful pointers. It has supported me develop leadership qualities, but also given me the tools to step back and question/ review my practice, as well as develop other areas." 2018 participant.

THE BROOKE WESTON TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Another important element of our recruitment and retention strategy is the work of the Brooke Weston Teaching School Alliance (BWTSA) which has been aligned to the priorities of the Trust as well as schools it serves beyond BWT. In addition to the delivery of National Professional Qualifications and Initial Teacher Training, the Teaching School has provided school to school support and primary CPD and secondary CPD courses. The closer alignment to our own priorities for some of our training has seen course numbers swell along with very positive feedback from participants. Our focus for 2019-20 will be further development of our training offer for support staff across BWT through partnerships with several training providers. In 2019-20 we intend to launch a comprehensive suite of courses covering all areas of our support operations which will be easily accessible to all our staff. We are excited to see the appetite for further personal progress and development across the Trust.

Feedback from staff surveys show very positive attitudes about working at BWT. For example, in response to the question, "If the right opportunity arose, I would like my next job to still be with the Academy/Trust", 85% of respondents confirmed 'yes'. 90% of respondents confirmed they are "proud to be a member of staff at this school" and 90% "enjoy working at this school". We seek staff feedback regularly and with the appointment of an in-house HR Manager from September 2019, we are working with a wide number of staff consultation groups to help us improve the Trust so we become the employer of choice in our area. Further information regarding consultation with our staff is included under Employee Consultation (page 13).

School Standards

In 2018-19 our primary schools continued to perform well. We were very encouraged to see the continuing trend of improvement across the Trust at KS1 and KS2 with attainment and progress rising for the third year and most schools meeting or exceeding national averages in key areas. We were especially pleased with the performance at KS1 in our primaries and with the KS2 performance of Peckover Primary School and Oakley Vale Primary School. All our primary schools had strong attendance figures. Our MAT-level primary performance is currently reported as: Reading – average; Writing – above average; Maths – above average. The clear focus now is on improving reading to be above average in future years.

Three of our secondary schools had a very strong year in terms of progress and outcomes at KS4, Brooke Weston Academy and Corby Technical School did particularly well whilst Thomas Clarkson Academy continued its trend of improvement. Our other two schools, Kettering Science Academy and Corby Business Academy both saw strong improvements in their sixth form outcomes and improvements in attainment at GCSE. Our MAT level secondary KS4 performance is currently reported as average. (see www.compare-school-performance.service.gov.uk).

The Trust has four primary schools graded as Good and one as Requires Improvement. We have two secondary schools graded Outstanding and three Requires Improvement. Inspection is due in several schools in both phases during 2019-20.

Core services and infrastructure

2018-2019 has been a busy year for developing BWT infrastructure and systems. We began a project to outsource our IT services, restructured our in-house catering operation, introduced new compliance practices and toolkits in all schools, centralised our finance functions, appointed an internal HR Manager to oversee important work on staff wellbeing and workload, realigned all our management information systems and started work on a major new building project at Kettering Science Academy to meet basic need. In addition to all of that we opened a new nursery at Peckover Primary School. Several of these projects are ongoing and form part of the Trust's strategic plan called 'Project 2021' which is introduced on page 13. Below are a few highlights of our infrastructure work illustrating the impact what we are doing and how it enhances our ability to invest more in the education of our children.

THE BROOKE WESTON TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Procurement

Good procurement is about more than purchasing things, it is about the delivery of the right products, services and works for our schools at the right price, quality, quantity, time and place – all focussed to support positive outcomes for children whilst ensuring that principles of fairness, probity, accountability and value for money are met. In the last year we have taken advantage of our size and partnership purchasing power to achieve economies that standalone schools may not ordinarily achieve. Through our procurement strategy we have generated over £100,000 of savings on our next contracts cycle for catering supplies, educational resources and multi-functional devices and been able to match fund new projects for which we have received external grants, for example our new nursery provision. These savings will be directed to school improvement capacity and we intend to build on this momentum for 2019-20.

Finance

We are proud of the major investments we have made into our schools over 2018-19 and in previous years, whether they come from well-planned use of capital grants for a coherent spend strategy delivering value across our estate, or through use of historic reserves to support school improvement and grow staff capacity, we are determined to continue maximising the opportunities we have as a single organisation. The additional capacity at Corby Business Academy in the last year to strengthen the senior leadership at the school is an example of this. A model that has previously been successful at Thomas Clarkson Academy. In 2018-19 we are pleased to once again report a balanced budget in terms on our in-year spend. Our schools work well together in a climate of transparency, trust and sharing of resources and people. The time is now right to reflect that culture in our accounts through pooled GAG and pooled reserves. The correct procedures for introducing this approach have been followed in accordance with the Academies Financial Handbook.

Growth

Whilst the Trust has not added any new schools in 2018-19, our income has continued to grow as student numbers swell and is projected to do so again next year. We are working in partnership with Northamptonshire and Cambridgeshire County Councils to help meet basic need demands in the localities where we work. Several of our schools are consulting on increasing their PAN as part of this partnership working, as well as taking interim bulge years at the behest of the local authorities.

Governance

During 2018-2019 the BWT Board undertook a review and update of the Trust scheme of delegation to ensure greater clarity in the delegation of authority from the Members through to the Local Governing Bodies and from the Chief Executive to the Principals. Recognising the Trust's income is approaching that for which separate Finance and Resources and Audit and Risk Committees are required, we established this system early in order to develop good habits and audit rigour across the Trust. To inform the work of the Audit and Risk Committee we are introducing a compliance software package to record and track compliance of all schools across areas such as safeguarding, data protection, health and safety. An online training package has also been implemented to provide training in the above areas, amongst others with more specific training relevant to specialist roles. A full suite of compliance dashboards will be operational across the Trust before the end of the 2019-2020 academic year.

To ensure our governance structure remains robust, BWT continues to recruit relevantly qualified and skilled people to serve on all its Board subcommittees. For example, during 2018-19 we appointed a new Finance & Resources Committee member with a background in senior level NHS finance and appointed two new members onto our Safeguarding Review Group who have local authority senior safeguarding roles. Wendy Brooks will be joining the Board of Directors in September 2019 - Wendy will bring a huge amount of experience from working with large global organisations with a specific focus on culture, leadership and business strategy.

Sustainability

Throughout 2018-19, BWT has made active efforts to ensure it is more environmentally sustainable. We installed LED lighting and PV cells across our schools and considered new approaches to IT systems (by hosting servers offsite and in the 'cloud') as part of our strategy to improve the energy efficiency of BWT. The Clean Growth Strategy outlines an ambition to reduce public sector emissions by 50% by 2032 compared to 2017 levels. The Emissions Reduction Pledge seeks to reduce greenhouse gas emissions by at least 30% by 2020-21 compared to a 2009/10 baseline. Across BWT sites I am proud and delighted to say we have hit the 2030 carbon reduction targets in 2019. Further initiatives are planned for 2019-20 including how we improve on our energy efficiency by considering how our sites are managed during holiday periods.

THE BROOKE WESTON TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Going concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial review

The principal source of income for the Academy Trust is obtained from the Education & Skills Funding Agency (ESFA)/Department of Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA/DfE during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy Trust also receives grants for fixed assets from the ESFA/DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting Activities by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

In addition funds are received from various activities carried out to generate funds, such as any running costs of the academies not met by restricted grants. Any surplus is carried forward as an unrestricted fund in the balance sheet.

During the year ended 31 August 2019 total revenue expenditure was £45.914 million (2018: £45.257 million) and total incoming funds from the DfE and other sources were £43.759million (2018: £42.294 million).

At 31 August 2019 the net book value of tangible fixed assets was £133.028 million (2018: £132.312 million) and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

Two key areas of expenditure for the Brooke Weston Trust in 2018-19 included significant investment in our estate and IT infrastructure. In 2018-19 the Academy Trust was successful in receiving a School Conditions Allocation (SCA) grant towards improving the building conditions across ten academies. Projects included roofing repairs, heating plant repairs and updates and refurbishments to science labs, all with the purpose of ensuring our sites remain open, safe and compliant. The IT Governance Group was established in September 2018 with responsibility for overseeing strategic investment of capital funding in IT infrastructure across Brooke Weston Trust schools. The Group invested in the following: laptops and PCs which were beyond lifecycle, server replacements in some Trust schools and general updates to software and hardware to maintain system integrity, performance and security.

Reserves policy

Due to the unpredictable nature of the funding received by the EFSA the Academy Trust aims to retain a level of free reserves of the amount equivalent to 4% of grant income. The Trustees review the reserve levels of the Academy Trust continually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Academy Trust's current level of free reserves (total funds less the amount held in restricted pension and restricted fixed asset funds) is £3.147 million (7.8% of recurrent grant income). This continues to be reduced through staggered investment into the BWT School Standards Fund over a five year period – this was a strategic decision taken by the Board to fund the strategies employed to improve outcomes for its students.

The Academy Trust's support staff are entitled to membership of the Local Government Pension Scheme. The pension scheme liability relates to a non-cash provision for the Academy Trust's share in this pension scheme and under the funding agreement the Academy Trust must show this pension liability on the balance sheet. The Local Government Pension Scheme as at 31 August 2019 held a deficit of £12.986 million. However should operations cease this pension liability would be funded by the DfE. The contribution rate to reduce the liability is calculated by an independent actuary.

THE BROOKE WESTON TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Investment policy

The Academy Trust does not hold any investments other than cash at bank and its £100 investment in its subsidiary undertakings, as noted earlier in this report. The Trustee's transferred £1 million of these cash reserves, a sum which was generated from Trading Company commercial activity and not taken from public funds, to an investment account in order to maximise the returns available. No further funds have been transferred to this account as the Trustee's wish to maintain the working capital of each school at a minimum level in order to meet the day-to-day expenditure incurred. The total income received from these investments amounted to £74,724 during the current year (2018: £75,935).

Principal risks and uncertainties

The Trustees have a duty to identify and review the risks to which the Academy Trust is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Trustees have assessed the major risks to which the Academy Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy Trust, and its finances. The Trustees have implemented a number of systems to assess risks that the Academy Trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and Academy trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. In addition to the introduction of the compliance software, as described above, to monitor and report compliance across core operational areas within our schools, the Academy Trust has a sound and effective system of internal financial controls. Both of these systems, along with input of local intelligence from educational, financial and operational leaders, inform the overall Trust risk register which outlines key risks for Brooke Weston Trust and necessary mitigating actions that are being undertaken.

Finance risks

- Reduction in the level of High Needs Funding – financial challenges in provision of SEN provision at Trust schools
- Increase in the cost of employing staff is not matched by additional funding – challenges in recruiting and retaining high quality staff in the delivery of core educational and operational functions
- Savings as identified in the budget are not achieved – the unspent funds reduce below target amount and the Trust is not able to operate a sustainable budget

Business continuity risks

- Curriculum viability and operational models – the cost of running the curriculum exceeds income, finite resources are inefficiently allocated
- Cost of Sixth Form Delivery – the cost of sixth form exceeds income
- Difficulty in staff recruitment and retention – Higher than budgeted for staff expenditure, reduced quality provision to students
- Managing Change – Benefits of change are not fully realised, disruption to business operations
- Impact of BREXIT – Impact of BREXIT causes operational and or financial issues for the Trust

Financial and risk management objectives and policies

The Trustees regularly review the risks faced by the Academy Trust and have put in place management controls to minimise/mitigate risks. The Audit and Risk Committee, established in September 2018, have delegated responsibility from the Board of Directors for oversight in relation to the Trust's financial reporting, internal control systems, risk management systems, regulatory compliance procedures and internal and external audit functions.

THE BROOKE WESTON TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Fundraising

Continuing from the success of 2017-18, Brooke Weston Trust extended the 'Ambition for All' campaign for 2018-19. A core focus of the campaign is centred on improving academic outcomes and opportunities for character development, however an equally important aspect of the campaign is about each individuals' wider contribution to society. As part of this campaign, each academy acted as torchbearer for a month where they celebrated ambition through a range of fundraising events. Funds were raised for a number of charities including Children in Need, World Mental Health Day, Macmillan and more local charities including Lakelands Care Hospice and Corby RISE homeless charity. Brooke Weston Trust is proud that our schools are nurturing our students in such a way that they can contribute positively to the school and wider society.

Plans for future periods

We have taken stock of the financial and organisational health of our Trust in the last year and are feeling positive about the future. We have strong demand for places at our schools, we have the capacity to continue improving through good management of our finances and other resources, we have a strong culture of sharing and collaboration and the very highest expectations of each other in the BWT family. Our shared expectations and values are set out in a guide for all staff called 'The BWT Way' (see www.brookewestontrust.org). To keep our next two-year strategy simple and clear, we will be using 'Project 2021' as the umbrella title for the Trust 'to do' list. September 2021 provides a timely and realistic focal point for delivering on our next step Trust improvement ambitions. These are the priority items.

Project 2021 Target 1: Student Outcomes

All BWT schools will be performing at OfSTED Good or better by September 2021, with above national outcomes performance for student sub-groups at school and Trust level on selected indicators, which we refer to as 'tickets for life'. Resources to support this target will come from Executive Principals' delegated budgets and further impactful use of unspent funds. They will be afforded through Trust-level efficiencies and increases in income from rising student numbers. The target is owned by Executive Principals for Primary and Secondary with oversight from the CEO and Board.

Project 2021 Target 2: Sixth Form Amalgamation

Pending the consultation outcome, we will amalgamate sixth form provision at Brooke Weston Academy (BWA) and Corby Technical School by September 2021. We will introduce a broader and enriched sixth form offer that will become World Class. This target is owned by the BWA Principal and BWA VP Sixth Form with oversight from the Secondary Executive Principal and CEO.

Project 2021 Target 3: Staff training, Retention and Career Development

We will completely redesign our Trust training offer and Teaching School activity to better meet the needs of all our staff (teaching and support) and those of the partners we work with. This target is owned by the Trust Director of Training, supported by Executive Principal Secondary and the Trust HR Manager with oversight from the CEO.

Project 2021 Target 4: Infrastructure

We will deliver all planned infrastructure and system improvements by 2021 and do so within budget. We will build further on our sustainability and green energy strategy. This target is owned by the Trust Senior Operations Manager, supported by the Operations Group and relevant central team staff with oversight by the CEO.

Project 2021 Target 5: Student Numbers

Increase in student numbers across BWT secondary schools by 2021 and plans in place for any new additions to the Trust (primary or secondary) by this time. This target is owned by CEO in consultation with Executive Principals and Principals and has oversight from the Board.

THE BROOKE WESTON TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Project 2021 Target 6: Financial Strategy

The Trust financial strategy ensures sustainability, provides high quality financial services to schools and gives leaders an appropriate scale of resource for school improvement to each academy. The target is owned by the Trust Finance Director, supported by Executive Principals, CEO and Operations Group with oversight from Trust Finance & Resources Committee.

Project 2021 Target 7: Governance

We will continue to refine governance processes to meet the Trust Members and Trust Board requirements for proportionate, fit for purpose governance arrangements delivering challenge, support and good assurance. The target is owned by CEO and Board Chair, supported by the Board, all Committee Chairs and the Trust Executive Officer/Company Secretary.

Funds held as custodian trustee on behalf of others

The Academy holds no funds on behalf of any other operating body.

Employee consultation and disabled employees

Disabled employees

Brooke Weston Trust is committed to equality and diversity of all its employees, as referenced in its Single Equality policy and Accessibility policy which is reviewed and updated annually. Capital investment and SCA funding is utilised to adapt the physical environment of all Trust buildings to ensure accessibility, in terms of: ramps to access classrooms and all teaching blocks, disabled toilets are installed, and door widths are adequate to enable wheelchair access. The policy of the Academy Trust is to support recruitment and retention of students and employees with disabilities. The Academy Trust does this by providing support throughout all recruitment processes, by making support resources available and through ongoing training and career development. The Academy Trust tracks pay progression of all employees – this data demonstrates that the Academy Trust encourages equality and fairness in pay and career opportunities for all employees. All senior leaders are provided with equalities and accessibility training to ensure that the Single Equality and Accessibility policies are fully adhered to.

Employee consultation

Brooke Weston Trust considers its employees to be its most valuable resource. During 2018-19, our Chief Executive held staff forum meetings with every school, comprised of a representation of teaching and support staff without the presence of senior leaders to discuss any matters that they wished to raise. Discussions were focused on potential actions that could be taken to reduce workload for teachers, how access to CPD opportunities could be better communicated and exploration into initiatives that the Trust could employ to support staff wellbeing. Action is already underway to develop in these core areas, led by the newly appointed HR Manager. Staff consultation groups are in operation in each academy, separate to the Chief Executive staff forums, again comprised of representatives of that academy's school community. Matters raised through these groups are escalated to members of the Operations Group via the Principal.

An annual staff questionnaire is also circulated to all employees. For 2018-19, the Brooke Weston Trust was particularly pleased with responses to the question "If the right opportunity arose, I would like my next job to still be with the Academy/Trust", which was a positive response of 85%. Further positive responses include 89% agreement to the statement "This school is well led and managed" and 90% for the statement "I am proud to be a member of staff at this school".

The Academy Trust operates a Joint Consultative Committee with national representatives of recognised trade unions to discuss employee relations and policies. Local union representatives from the academies attend this forum. The Academy Trust consults with employees regarding staffing and pay structures, employment procedures and policies, staff training and development, health and safety matters and matters relating to the Equality Act 2010 amongst other areas. A Whistleblowing Officer for the Academy Trust is communicated to all staff and a procedure is in place should any member of staff wish to escalate any concerns through to the Board of Directors.

THE BROOKE WESTON TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 19 December 2019 and signed on its behalf by:

Dr A Campbell
CEO and Accounting Officer

R Morrison
Chair of Trustees

THE BROOKE WESTON TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Brooke Weston Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Brooke Weston Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Dr A Campbell (CEO and Accounting Officer)	3	3
R Morrison (Chair of Trustees)	3	3
A E G de Capell Brooke	3	3
P Harris-Bridge (Chair of Finance and Resources Committee)	2	3
R Lane	2	3
H Stevenson	3	3
G G Weston	2	3
G H Weston	2	3
Sir P A Simpson (Chair of Audit and Risk Committee)	3	3
S Taylor	3	3
Mrs W Brooks (Appointed 30 September 2019)	0	0

Composition of the Board of Trustees:

The composition of the Board of Trustees is detailed above. During the 2018-19 period, the Board undertook a recruitment exercise for a new Board member to be appointed from September 2019. Further details of this appointment is included on our Governance page on the Brooke Weston Trust website.

THE BROOKE WESTON TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Coverage of the Board's work:

The Board of Directors has overall responsibility for the effective operation of the Trust: setting the vision, ethos, strategic direction and priorities of the Academy Trust; holding senior executives to account for educational performance of the Trust and performance management of its staff; overseeing the Trust's financial performance. Discussions are centred around: strategic priorities and vision; educational performance/school improvement; people and leadership (including pay and performance management); governance; finance and operations; risk management; and growth and development. The Board of Directors have continued to pursue their preferred strategy of establishing and maintaining subcommittees each with a core responsibility delegated to them. Responsibilities of each subcommittee is outlined in the Trust scheme of delegation and the respective terms of reference, all of which can be located on the Brooke Weston Trust website. In order to ensure that the Committees are able to discharge their duties effectively and provide robust challenge and scrutiny to the executive team, the Board of Directors continues to appoint members who are external to the Trust and are specialists within their field.

The Board of Directors are satisfied with the quality of data and information that is supplied to them as it allows for in-depth interrogation and challenge to the Operations Group of the Academy Trust's performance (educational or non-educational). This is reflected at all subcommittees of the Board of Directors, as outlined in recent governance reviews (see below).

In addition to the scheduled Board of Directors meetings (held three times per year), the Directors hold regular conference call meetings to discharge their duties effectively in providing ongoing strategic support and direction to the Operations Group.

The Board and its subcommittees (including Local Governing Bodies) conduct an effectiveness review of their performance on an annual basis. The outcomes of these reviews determine: whether there are any skills gaps on these committees, the training requirements for the members to ensure they are kept abreast of changes within the education sector, whether any improvements can be made to the governance structure of the organisation or whether in-house administrative processes can be refined to support the governance function more efficiently.

Developed from previous years, BWT has refined its approach to reviewing the effectiveness of the Local Governing Bodies in order that tailored advice, guidance and appropriate resources can be put in place to support governors in fulfilling their function. The effectiveness review began with the annual effectiveness audit completed by the governing body, followed by the Chair appraisal meeting held by the CEO (newly implemented for 2018/19), following which a series of recommendations were synthesised for BWT to action. For 2018/19, this included: clarification around the expectation of a governor through amendments to the Code of Conduct; provision of resources for governors on how to undertake a subject link visit in a school and recommendation areas of questioning; standardisation of the Principals' reports to local governing body to ensure consistency in the information that is being presented to them in a clear and understandable format. During 2018/19 BWT hosted the inaugural Trust training day for governors, the aim of which was to fully equip governors with the relevant information, updates and skillsets to be able to provide meaningful challenge and critical support to the senior leadership teams on a broad range of topics. Training topics included: safeguarding and child protection, performance data, preparing for Ofsted, mental health and social media training for students. This is in addition to the refinement of the induction process for all new governors, Committee members, and Directors.

At the beginning of 2018/19, BWT commissioned an external consultant to review the effectiveness of the Board, with a focus on alignment around strategy, clarity about the role of the Board as a team, and a review of the balance of behaviours and capabilities of the Board members to fulfil their roles. Recommendations from the review were duly noted and actioned. This included a recommendation to recruit a further Director onto the board to ensure the skillset of the Board fully covers all areas of the company's operation. As previously mentioned, a new Board Director has been appointed for September 2019 following a thorough recruitment process. As with the Board, an external review of the effectiveness of the subcommittees will be rolled out during 2019/20.

As part of the annual review, the Board of Directors will be making updates to the Trust's scheme of delegation for 2019-20 (also published on the Brooke Weston Trust website).

THE BROOKE WESTON TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Finance and Resources Committee

The finance and resources committee is a sub-committee of the main board of trustees. Its purpose is to co-ordinate and Board's financial responsibilities by recommending policy to the Board, interpreting it for staff, and monitoring its implementation. Particular issues dealt with during 2018-19 include:

- As part of the five year plan, identifying areas of indirect costs of education to generate cost savings without impacting on the quality of teaching and learning
- To review and agree the Teachers' and Support Staff Pay Award
- An assessment of credit card expenditure and mileage and expenses claims across the Academy Trust
- Review and amendment to the Academy Trust investment strategy
- To assess pay progression of teaching staff over a five-year period to identify effectiveness of performance management processes
- To ensure compliance with financial and HR procedures, as checked through the quarterly internal audit
- To review and update financial policies to ensure compliance with ESFA handbook
- To review and approve/reject requests for capital projects, in line with the approved BWT strategy and Scheme of Delegation
- To review the procurement procedures across the Trust to ensure value for money is being achieved

Attendance at meetings in the year was as follows:

Committee member	Meetings attended	Out of possible
P Harris-Bridge (Chair of Finance and Resources Committee)	5	5
B Emmins (appointed 1 September 2018)	5	5
M Ward (resigned 11 February 2019)	2	2
Ms N Briggs (appointed 1 July 2019)	0	0

Audit and Risk Committee

The audit and risk committee is a sub-committee of the main board of trustees. Its purpose is to assist the Board of Directors fulfil its corporate governance and oversight responsibilities in relation to the Trust's financial reporting, internal control systems, risk management systems, regulatory compliance procedures and internal and external audit functions. During 2018-19, the Committee discussed key operational areas for the Trust, including health and safety, safeguarding, recruitment and retention, GDPR, implementation of the new compliance software and considered against each of these areas:

- Is there evidence of external benchmarking?
- Is there evidence of independent and suitability qualified expertise on the subcommittee?
- Is there evidence of looking to future issues that might be on the horizon?
- Is there evidence of evidence-based decision making on which they make their judgement? How are the decisions being made?
- Is the Committee focusing in the 'right' high risk areas and how effectively are they in responding to these? Is there evidence that the Committee is meeting its key objectives and priorities within agreed timescales?

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
R Morrison (Chair of Trustees)	4	4
Sir P A Simpson (Chair of Audit and Risk Committee)	4	4

Review of value for money

As accounting officer the Chief Executive Officer has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

THE BROOKE WESTON TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available.

The accounting officer for the academy trust has delivered improved value for money during the year by holding frequent meetings of the Operations Group, comprising the CEO, Finance Director, Executive Principals, Senior Operations Manager and Senior Finance/HR Manager. This group meets with agendas closely aligned to our business needs and opportunities, risk register priorities and feedback from schools. Benchmarking across a range of KPIs has been a feature of our work as we seek to ensure operational models in our schools are efficient and fit for purpose through our long-established curriculum-led financial planning approach. In addition, we work hard to ensure goods and services procured under trust-wide agreements maximise savings wherever possible. A few recent successes include our new MAT-wide catering supplier contract; the introduction of a common management information system bringing efficiencies in workload and better training opportunities for teaching and support staff; use of MAT pilot loans for green energy initiatives including photovoltaic cells on school roofs and LED lighting replacement strategy throughout our schools.

The Accounting Officer and Finance Director undertake regular reviews of the trust's management accounts and reports, which are used to make informed decisions about the best use of funds.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Brooke Weston Trust for the period from 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period from 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees. Risk is a standing item on all Board and subcommittee agendas and their capacity to handle risk will be reviewed and assessed by the newly introduced Audit & Risk Committee.

The risk and control framework

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and resources committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint an external internal auditor.

THE BROOKE WESTON TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of income systems
- testing of purchase systems
- testing of control account/ bank reconciliations
- testing Teachers' and Local Government Pensions
- testing HR procedures, staff contracts etc
- testing budget monitoring/management accounts
- testing the academy's inventory (asset) list
- testing governance procedures
- testing VAT
- testing of contracts and procurement

On a quarterly basis, the internal auditor reports (via the Finance Director) to the board of trustees, through the finance and audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. There were no material control issues arising as a result of the auditors' review.

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

Review of effectiveness

As accounting officer the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the work of the Finance and Resources Committee;
- the work of the Audit and Risk Committee;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit and risk committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 19 December 2019 and signed on its behalf by:

Dr A Campbell
CEO and Accounting Officer

R Morrison
Chair of Trustees

THE BROOKE WESTON TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE *FOR THE YEAR ENDED 31 AUGUST 2019*

As accounting officer of The Brooke Weston Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.

Dr A Campbell
Accounting Officer

19 December 2019

THE BROOKE WESTON TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees (who are also the directors of The Brooke Weston Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2018 to 2019 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law, the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from ESFA/DfE have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 19 December 2019 and signed on its behalf by:

Dr A Campbell
CEO and Accounting Officer

R Morrison
Chair of Trustees

THE BROOKE WESTON TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BROOKE WESTON TRUST

FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the accounts of The Brooke Weston Trust for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE BROOKE WESTON TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BROOKE WESTON TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE BROOKE WESTON TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BROOKE WESTON TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mr Paul Tyler (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services

19 December 2019

Statutory Auditor

Thorpe House
93 Headlands
Kettering
Northamptonshire
NN15 6BL

THE BROOKE WESTON TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE BROOKE WESTON TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 2 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Brooke Weston Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Brooke Weston Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the The Brooke Weston Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Brooke Weston Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Brooke Weston Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Brooke Weston Trust's funding agreement with the Secretary of State for Education dated 30 March 2012 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Assessment and testing of the internal audit work and reliance placed upon this work for the review of internal control procedures
- Further testing of the internal control procedures has been carried out in the following areas:
 - Sample test of delegated authority procedures
 - Enquiry and review of transactions with connected persons
 - Review of governance procedures including inspection of trustee and relevant board minutes
 - Sample test of procurement procedures
- Communication with the accounting officer

THE BROOKE WESTON TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE BROOKE WESTON TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Baldwins Audit Services
Thorpe House
93 Headlands
Kettering
Northamptonshire
NN15 6BL

Dated: 19 December 2019

THE BROOKE WESTON TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £'000s	Restricted funds: Endowment		Total 2019 £'000s	Total 2018 £'000s
			General £'000s	Fixed asset £'000s	Funds £'000s	
Income and endowments from:						
Donations and capital grants	3	8	-	2,817	-	2,825
Charitable activities:						
- Funding for educational operations	4	2,238	40,492	-	-	42,730
- Funding for teaching school	28	209	40	-	-	249
Other trading activities	5	772	-	-	-	772
Total		<u>3,227</u>	<u>40,532</u>	<u>2,817</u>	<u>-</u>	<u>46,576</u>
Expenditure on:						
Raising funds	6	302	-	12	-	314
Charitable activities:						
- Educational operations	8	3,317	42,046	2,562	-	47,925
- Teaching school	28	209	40	-	-	249
Total	6	<u>3,828</u>	<u>42,086</u>	<u>2,574</u>	<u>-</u>	<u>48,488</u>
Gains on investments		<u>75</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75</u>
Net income/(expenditure)		(526)	(1,554)	243	-	(1,837)
Transfers between funds	19	-	(449)	449	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	21	-	(5,841)	-	-	(5,841)
Net movement in funds		<u>(526)</u>	<u>(7,844)</u>	<u>692</u>	<u>-</u>	<u>(7,678)</u>
Reconciliation of funds						
Total funds brought forward		<u>2,447</u>	<u>(3,916)</u>	<u>132,919</u>	<u>48</u>	<u>131,498</u>
Total funds carried forward		<u>1,921</u>	<u>(11,760)</u>	<u>133,611</u>	<u>48</u>	<u>131,498</u>

THE BROOKE WESTON TRUST

BALANCE SHEET

AS AT 31 AUGUST 2019

		2019		2018	
	Notes	£'000s	£'000s	£'000s	£'000s
Fixed assets					
Tangible assets	12		133,028		132,312
Investments	13		1,559		1,485
			<u>134,587</u>		<u>133,797</u>
Current assets					
Stocks	14	41		41	
Debtors	15	1,782		1,116	
Cash at bank and in hand		4,800		6,209	
		<u>6,623</u>		<u>7,366</u>	
Current liabilities					
Creditors: amounts falling due within one year	16	(3,868)		(3,554)	
Net current assets			<u>2,755</u>		<u>3,812</u>
Total assets less current liabilities			<u>137,342</u>		<u>137,609</u>
Creditors: amounts falling due after more than one year	17		(536)		(624)
Net assets before defined benefit pension scheme liability			<u>136,806</u>		<u>136,985</u>
Defined benefit pension scheme liability	21		(12,986)		(5,487)
Total net assets			<u>123,820</u>		<u>131,498</u>
Funds of the academy trust:					
Restricted funds	19				
- Fixed asset funds			133,611		132,919
- Restricted income funds			1,226		1,571
- Pension reserve			(12,986)		(5,487)
- Endowment funds			48		48
Total restricted funds			<u>121,899</u>		<u>129,051</u>
Unrestricted income funds	19		1,921		2,447
Total funds			<u>123,820</u>		<u>131,498</u>

THE BROOKE WESTON TRUST

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2019

The accounts on pages 27 to 57 were approved by the trustees and authorised for issue on 19 December 2019 and are signed on their behalf by:

Dr A Campbell
CEO and Accounting Officer

R Morrison
Chair of Trustees

Company Number 02400784

THE BROOKE WESTON TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £'000s	2018 £'000s
Cash flows from operating activities			
Net cash used in operating activities	22	(1,512)	(753)
Cash flows from investing activities			
Dividends, interest and rents from investments		7	7
Capital grants from DfE Group		1,326	819
Capital funding received from others		1,491	739
Purchase of tangible fixed assets		(2,626)	(1,037)
Net cash provided by investing activities		198	528
Cash flows from financing activities			
New long term loan		-	69
Repayment of long term loan		(88)	(89)
Finance costs		(7)	-
Net cash used in financing activities		(95)	(20)
Net decrease in cash and cash equivalents in the reporting period		(1,409)	(245)
Cash and cash equivalents at beginning of the year		6,209	6,454
Cash and cash equivalents at end of the year		<u>4,800</u>	<u>6,209</u>

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are presented in Sterling (£'000).

The Brooke Weston Trust meets the definition of a public benefit entity under FRS 102. The academy trust is a charitable company, limited by guarantee and incorporated in England and Wales. The address of the registered office is detailed in the legal and administrative information on page 1.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Basis of consolidation

The financial statements contain information about The Brooke Weston Trust as an individual charitable company and do not contain consolidated financial information as the parent of a group. In the trustees' opinion, the results of the subsidiaries are not material to an understanding of the academy trust's financial statements, as in accordance with S405(2) of Companies Act 2006 and 19(1)(a) of the Charities (Accounts and Reports) Regulations 2008.

1.4 Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Charitable activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

1.6 Tangible fixed assets and depreciation

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a reducing balance basis over its expected useful life, as follows:

Land and buildings	2% of written down value or over the period of the lease
Computer equipment	33% of written down value
Fixtures, fittings & equipment	10% of written down value
Motor vehicles	33% of written down value

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

Long leasehold land and buildings and other tangible fixed assets totalling £36,391,965 have been provided and are maintained by a third party under a PFI agreement with Cambridgeshire County Council. The academy trust has entered into a 25 year agreement with Cambridgeshire County Council to reimburse that local authority for the major part of its commitment under its PFI agreement. During the year ended 31 August 2019, maintenance of premises and equipment includes £802,339 (2018: £798,111) in respect of payments to the local authority under this agreement. The long leasehold land and buildings and other tangible fixed assets were introduced into the financial statements at insurance values, being the trustees' estimate of their current market value at 31 August 2013. Due to the nature of the maintenance element of the PFI agreement, no depreciation is considered necessary in respect of these assets over the term of the agreement. Once the agreement expires, these assets will be depreciated in accordance with the academy trust's existing accounting policy for tangible fixed assets.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

1.7 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods of services it must provide.

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.8 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.9 Investments

The academy trust's shareholding in the wholly owned subsidiary Corby CTC Trading Limited is included in the balance sheet at cost of the share capital owned. There is no readily available market value and the cost of obtaining a valuation exceeds the benefit derived.

Investments also include listed investments that are stated in the financial statements at market value ruling at the balance sheet date. Both realised profits and losses and unrealised profits and losses on revaluation of listed investments at each period end are recognised in the Statement of Financial Activities and included in the accumulated trust fund.

1.10 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.11 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.12 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.13 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.14 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency/Department for Education.

Restricted pension reserve funds represent the academy trust's share of assets and liabilities of the Local Government Pension Scheme.

Restricted endowment funds represent funds transferred from Ise Community College, the predecessor school of Kettering Science Academy. The trustees have the power to spend the capital; both the capital and income are restricted to funding educational activities of the academy trust.

2 Critical accounting estimates and areas of judgement

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

2 Critical accounting estimates and areas of judgement

(Continued)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2019 £'000s	Total 2018 £'000s
Capital grants	-	2,817	2,817	1,558
Other donations	8	-	8	9
	<u>8</u>	<u>2,817</u>	<u>2,825</u>	<u>1,567</u>

The income from donations and capital grants was £2,825,000 (2018: £1,567,000) of which £8,000 was unrestricted (2018: £9,000) and £2,817,000 was restricted fixed assets (2018: £1,558,000).

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

4 Funding for the academy trust's educational operations

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2019 £'000s	Total 2018 £'000s
DfE / ESFA grants				
General annual grant (GAG)	-	35,524	35,524	34,852
Start up grants	-	25	25	47
DfE teaching school grants	-	40	40	117
Other DfE group grants	-	2,606	2,606	2,226
	-	38,195	38,195	37,242
Other government grants				
Local authority grants	-	2,337	2,337	1,963
Other funding				
Teaching school income	209	-	209	113
Other incoming resources	2,238	-	2,238	2,368
	2,447	-	2,447	2,481
Total funding	2,447	40,532	42,979	41,686

The income from funding for educational operations was £42,979,000 (2018: £41,686,000) of which £2,447,000 was unrestricted (2018: £1,866,000) and £40,532,000 was restricted (2018: £39,820,000).

5 Other trading activities

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2019 £'000s	Total 2018 £'000s
Hire of facilities	272	-	272	254
BW Fitness memberships and other income	142	-	142	137
Other income	358	-	358	208
	772	-	772	599

The income from other trading activities was £772,000 (2018: £599,000) of which £772,000 was unrestricted (2018: £599,000).

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

6 Expenditure

	Staff costs £'000s	Non Pay Expenditure Premises £'000s	Other £'000s	Total 2019 £'000s	Total 2018 £'000s
Expenditure on raising funds					
- Allocated support costs	245	15	54	314	305
Academy's educational operations					
- Direct costs	27,048	1,154	4,553	32,755	30,896
- Allocated support costs	7,886	3,574	3,710	15,170	16,450
Teaching school					
- Allocated support costs	149	-	100	249	228
	<u>35,328</u>	<u>4,743</u>	<u>8,417</u>	<u>48,488</u>	<u>47,879</u>

Net income/(expenditure) for the year includes:

	2019 £'000s	2018 £'000s
Fees payable to auditor for:		
- Audit	20	20
- Other services	5	4
- Internal audit	14	14
- Other assurance services	4	4
Operating lease rentals	172	180
Depreciation of tangible fixed assets	1,913	1,784
Loan interest	7	-
Net interest on defined benefit pension liability	172	200
	<u>172</u>	<u>200</u>

7 Central services

The academy trust has provided the following central services to its academies during the year:

- financial services;
- property management;
- IT services;
- educational support services;
- operations, procurement and compliance services;
- educational welfare support;
- HR and personnel;
- legal support;
- governor support and training;
- other services as arising.

The academy trust charges for these services on the following basis:

- flat percentage of income (4% of budgeted income);
- other bases as arising.

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

7 Central services (Continued)

The amounts charged during the year were as follows:

	2019 £'000s	2018 £'000s
Beanfield Primary School	198	132
Brooke Weston Academy	370	257
Corby Business Academy	387	259
Corby Technical School	179	104
Compass Primary Academy	116	79
Gretton Primary School	36	24
Kettering Science Academy	281	225
Oakley Vale Primary School	96	62
Peckover Primary School	103	67
Thomas Clarkson Academy	446	320
	<u>2,212</u>	<u>1,529</u>

8 Charitable activities

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2019 £'000s	Total 2018 £'000s
Direct costs				
Educational operations	880	31,875	32,755	30,896
Support costs				
Educational operations	2,437	12,733	15,170	16,450
Teaching school	209	40	249	228
	<u>3,526</u>	<u>44,648</u>	<u>48,174</u>	<u>47,574</u>

The expenditure on educational operations was £47,925,000 (2018: £47,346,000) of which £3,317,000 was unrestricted (2018: £3,621,000), £42,046,000 was restricted (2018: £41,116,000) and £2,562,000 was restricted fixed assets (2018: £2,609,000).

The expenditure on teaching school was £249,000 (2018: £228,000) of which £209,000 was unrestricted (2018: £111,000) and £40,000 was restricted (2018: £117,000).

	Teaching school £'000s	Educational operations £'000s	Total 2019 £'000s	Total 2018 £'000s
Analysis of support costs				
Support staff costs	149	7,886	8,035	8,339
Technology costs	-	845	845	1,028
Premises costs	-	3,574	3,574	4,256
Other support costs	100	2,749	2,849	2,939
Governance costs	-	116	116	116
	<u>249</u>	<u>15,170</u>	<u>15,419</u>	<u>16,678</u>

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Staff

Staff costs

Staff costs during the year were:

	2019	2018
	£'000s	£'000s
Wages and salaries	26,333	25,023
Social security costs	2,569	2,444
Pension costs	5,612	5,605
	<hr/>	<hr/>
Amounts paid to employees	34,514	33,072
Agency staff costs	665	909
Staff restructuring costs	149	201
	<hr/>	<hr/>
Total staff expenditure	<u>35,328</u>	<u>34,182</u>

Staff restructuring costs comprise:

Redundancy payments	140	82
Severance payments	9	12
Other restructuring costs	-	107
	<hr/>	<hr/>
	<u>149</u>	<u>201</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £8,972 (2018: £12,500). Individually, the payments were: £8,972.

Staff numbers

The average number of persons employed by the academy trust during the year was as follows:

	2019	2018
	Number	Number
Teachers	445	427
Educational support	326	342
Infrastructure support	306	314
Adminisatration other	12	8
Management educational	22	23
Management central team	4	6
	<hr/>	<hr/>
	<u>1,115</u>	<u>1,120</u>

Infrastructure support includes - admin, site, catering, community lettings, invigilators and extended provision.

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Staff

(Continued)

Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2019 Number	2018 Number
£60,001 - £70,000	11	13
£70,001 - £80,000	9	4
£80,001 - £90,000	4	5
£90,001 - £100,000	3	1
£100,001 - £110,000	-	1
£120,001 - £130,000	1	2
£130,001 - £140,000	1	-
£140,001 - £150,000	1	-
£160,001 - £170,000	-	1

Key management personnel

The key management personnel of the academy trust comprise the trustees and the members of the operations group. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £1,041,957 (2018: £821,567).

10 Trustees' remuneration and expenses

One of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Chief Executive Officer only receives remuneration in respect of services he provides undertaking the role of Chief Executive Officer under his contract of employment, and not in respect of his services as trustees.

The value of trustees' remuneration and other benefits was as follows:

Dr A Campbell (Chief Executive Officer):

- Remuneration £145,000 - £150,000 (2018: £160,000-£165,000)
- Employer's pension contributions £15,000 - £20,000 (2018: £25,000-£30,000)

During the year, travel and subsistence payments totalling £688 (2018: £Nil) were reimbursed or paid directly to 2 trustees (2018: 0 trustees).

Other related party transactions involving the trustees are set out within the related parties note.

11 Trustees and officers insurance

The academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

12 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£'000s	£'000s	£'000s	£'000s	£'000s
Cost					
At 1 September 2018	141,174	8,838	6,933	182	157,127
Additions	1,813	794	19	-	2,626
At 31 August 2019	142,987	9,632	6,952	182	159,753
Depreciation					
At 1 September 2018	13,030	7,552	4,052	181	24,815
Charge for the year	1,164	456	290	-	1,910
At 31 August 2019	14,194	8,008	4,342	181	26,725
Net book value					
At 31 August 2019	128,793	1,624	2,610	1	133,028
At 31 August 2018	128,144	1,286	2,881	1	132,312

The net book value of land and buildings comprises:

	2019 £'000s	2018 £'000s
Freeholds	4,650	4,743
Long leaseholds (over 50 years)	124,143	123,401
	128,793	128,144

13 Fixed asset investments

	HSBC investment portfolio £'000s
Market value	
At 1 September 2018	1,484
Change in value in the year	75
At 31 August 2019	1,559
Historical cost:	
At 31 August 2019	1,000
At 31 August 2018	1,000

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

13 Fixed asset investments

(Continued)

In 2012, the trustees transferred £1million of cash reserves, a sum which was generated from trading company commercial activity, not taken from public funds, to an investment account in order to maximise the returns available. The total income received from these investments amounted to £74,724 during the current year (2018: £75,935). The academy trust's listed investments were valued by reference to market prices.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Corby CTC Trading Limited	England	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

Principal activities	Capital and reserves	Profit/(loss) for the year	
	£'000s	£'000s	
Corby CTC Trading Limited	Dormant	-	-
		=	=

Corby CTC Trading Limited ceased to trade on 31 March 2017 with all trading activities being transferred to the academy trust on that date.

The investments are shown in the balance sheet at cost. The trustees have not prepared group accounts as they are of the opinion that the results of the subsidiaries are not material to an understanding of the academy trust's financial statements in accordance with S405(2) of Companies Act 2006 and 19(1)(a) of the Charities (Accounts and Reports) Regulations 2008.

14 Stocks

2019
£'000s

2018
£'000s

Catering, stationery and other supplies

41

41

=

=

15 Debtors

2019
£'000s

2018
£'000s

Trade debtors

148

96

VAT recoverable

528

365

Other debtors

4

15

Prepayments and accrued income

1,102

640

1,782

1,116

=

=

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

16 Creditors: amounts falling due within one year	2019 £'000s	2018 £'000s
Government loans	92	92
Trade creditors	1,216	707
Other taxation and social security	615	598
ESFA creditors - abatement of GAG	68	-
Other creditors	175	104
Accruals and deferred income	1,702	2,053
	<u>3,868</u>	<u>3,554</u>
	<u><u>3,868</u></u>	<u><u>3,554</u></u>
17 Creditors: amounts falling due after more than one year	2019 £'000s	2018 £'000s
Government loans	536	624
	<u>536</u>	<u>624</u>
	<u><u>536</u></u>	<u><u>624</u></u>
Analysis of loans		
Not wholly repayable within five years by instalments	168	253
Wholly repayable within five years	460	463
	<u>628</u>	<u>716</u>
Less: included in current liabilities	(92)	(92)
	<u>536</u>	<u>624</u>
	<u><u>536</u></u>	<u><u>624</u></u>
Loan maturity		
Debt due in one year or less	92	92
Due in more than one year but not more than two years	92	92
Due in more than two years but not more than five years	276	279
Due in more than five years	168	253
	<u>628</u>	<u>716</u>
	<u><u>628</u></u>	<u><u>716</u></u>

Included within government loans are Salix loans totalling £495,514 (2018: £569,778), of which £74,265 (2018: £74,265) is due within one year and £421,249 (2018: £495,513) is due after one year. These Salix loans are interest free and repayable in half-yearly instalments over the remaining 4-8 years of the loans as at 31 August 2019.

Also included within government loans are loans from DfE/ESFA totalling £132,557 (2018: £146,181), of which £17,979 (2018: £17,679) is due within one year and £114,578 (2018: £128,502) is due after more than one year. These loans are part of a pilot scheme introduced by DfE/ESFA during the year ended 31 August 2017 aimed at providing finance to multi-academy trusts, primarily to fund capital improvements with the aim of reducing energy consumption. These loans are provided at an interest rate of 1.83% p.a. over nine years and are repayable in 36 equal instalments.

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

18 Deferred income	2019	2018
	£'000s	£'000s
Deferred income is included within:		
Creditors due within one year	405	381
	<u> </u>	<u> </u>
Deferred income at 1 September 2018	381	294
Released from previous years	(381)	(294)
Resources deferred in the year	405	381
	<u> </u>	<u> </u>
Deferred income at 31 August 2019	405	381
	<u> </u>	<u> </u>

At the balance sheet date, the academy trust was holding funds received in advance for educational trips, student transport, universal infant free school meals and other grants related to the 2019/20 academic year.

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Funds

	Balance at 1 September 2018 £'000s	Income £'000s	Expenditure £'000s	Gains, losses and transfers £'000s	Balance at 31 August 2019 £'000s
Restricted general funds					
General Annual Grant (GAG)	1,571	35,524	(35,420)	(449)	1,226
Start up grants	-	25	(25)	-	-
Other DfE / ESFA grants	-	2,606	(2,606)	-	-
Other government grants	-	2,337	(2,337)	-	-
Teaching school	-	40	(40)	-	-
Pension reserve	(5,487)	-	(1,658)	(5,841)	(12,986)
	<u>(3,916)</u>	<u>40,532</u>	<u>(42,086)</u>	<u>(6,290)</u>	<u>(11,760)</u>
Restricted fixed asset funds					
DfE group capital grants	34,164	1,326	(1,635)	-	33,855
Capital expenditure from GAG	2,625	-	(98)	449	2,976
Other government grants	92,087	1,491	(749)	-	92,829
Private sector capital sponsorship	4,043	-	(92)	-	3,951
	<u>132,919</u>	<u>2,817</u>	<u>(2,574)</u>	<u>449</u>	<u>133,611</u>
Restricted endowment fund	<u>48</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48</u>
Total restricted funds	<u>129,051</u>	<u>43,349</u>	<u>(44,660)</u>	<u>(5,841)</u>	<u>121,899</u>
Unrestricted funds					
General funds	2,443	3,018	(3,619)	75	1,917
Teaching school	4	209	(209)	-	4
	<u>2,447</u>	<u>3,227</u>	<u>(3,828)</u>	<u>75</u>	<u>1,921</u>
Total funds	<u>131,498</u>	<u>46,576</u>	<u>(48,488)</u>	<u>(5,766)</u>	<u>123,820</u>

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

19 Funds

(Continued)

The specific purposes for which the funds are to be applied are as follows:

Restricted general funds include unspent general annual grant (GAG), which must be used for the normal recurring costs of the academy trust together with other restricted funds. Under the funding agreement with the Secretary of State for Education, the academy trust was not subject to a limit on the amount of GAG that it should carry forward at 31 August 2019. During the year, a transfer of £448,667 was made from GAG funds to restricted fixed asset funds in respect of expenditure on capital projects funded from the academy trust's own funds.

Restricted fixed asset funds represent resources which have been applied to specific capital purposes imposed by the funder together with cash resources still to be expended.

Restricted pension reserve funds represent the academy trust's share of assets and liabilities of the Local Government Pension Scheme.

Restricted endowment funds represent expendable resources to be applied to specific education activities.

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Funds

(Continued)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2017 £'000s	Income £'000s	Expenditure £'000s	Gains, losses and transfers £'000s	Balance at 31 August 2018 £'000s
Restricted general funds					
General Annual Grant (GAG)	1,524	34,852	(34,523)	(282)	1,571
Start up grants	-	47	(47)	-	-
Other DfE / ESFA grants	-	2,226	(2,226)	-	-
Other government grants	-	1,963	(1,963)	-	-
Teaching school	-	117	(117)	-	-
Other restricted funds	-	615	(615)	-	-
Pension reserve	(7,071)	-	(1,859)	3,443	(5,487)
	<u>(5,547)</u>	<u>39,820</u>	<u>(41,350)</u>	<u>3,161</u>	<u>(3,916)</u>
Restricted fixed asset funds					
DfE group capital grants	34,980	819	(1,635)	-	34,164
Capital expenditure from GAG	2,429	-	(86)	282	2,625
Other government grants	92,152	739	(804)	-	92,087
Private sector capital sponsorship	4,140	-	(97)	-	4,043
	<u>133,701</u>	<u>1,558</u>	<u>(2,622)</u>	<u>282</u>	<u>132,919</u>
Restricted endowment fund	<u>48</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48</u>
Total restricted funds	<u>128,202</u>	<u>41,378</u>	<u>(43,972)</u>	<u>3,443</u>	<u>129,051</u>
Unrestricted funds					
General funds	3,802	2,361	(3,796)	76	2,443
Teaching school	2	113	(111)	-	4
	<u>3,804</u>	<u>2,474</u>	<u>(3,907)</u>	<u>76</u>	<u>2,447</u>
Total funds	<u>132,006</u>	<u>43,852</u>	<u>(47,879)</u>	<u>3,519</u>	<u>131,498</u>

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Funds

(Continued)

Total funds analysis by academy

	2019 £'000s	2018 £'000s
Fund balances at 31 August 2019 were allocated as follows:		
Beanfield Primary School	-	1,127
Brooke Weston Academy	-	3,698
Corby Business Academy	-	788
Corby Technical School	-	(681)
Compass Primary Academy	-	(187)
Gretton Primary School	-	117
Kettering Science Academy	-	(543)
Oakley Vale Primary School	-	758
Peckover Primary School	-	344
Thomas Clarkson Academy	-	(623)
Brooke Weston Trust		
- School operations	3,898	-
- Infrastructure support	(703)	(732)
Total before fixed assets fund and pension reserve	3,195	4,066
Restricted fixed asset fund	133,611	132,919
Pension reserve	(12,986)	(5,487)
Total funds	123,820	131,498

In 2018-19 we are pleased to once again report a balanced budget in terms on our in-year spend. Our schools work well together in a climate of transparency, trust and sharing of resources, unspent funds and people. The time is now right to reflect that culture in our accounts through pooled GAG and pooled reserves. The correct procedures for this approach have been followed in accordance with the Academies Financial Handbook.

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Funds

(Continued)

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff £'000s	Other support staff costs £'000s	Educational supplies £'000s	Other costs excluding depreciation £'000s	Total 2019 £'000s	Total 2018 £'000s
Beanfield Primary School	2,189	678	53	514	3,434	3,710
Brooke Weston Academy	4,071	1,682	123	2,000	7,876	8,303
Corby Business Academy	4,736	1,372	244	1,635	7,987	7,528
Corby Technical School	1,863	611	77	792	3,343	3,025
Compass Primary Academy	1,568	157	14	444	2,183	2,152
Gretton Primary School	460	98	11	133	702	746
Kettering Science Academy	3,867	1,280	176	982	6,305	6,647
Oakley Vale Primary School	1,058	309	32	348	1,747	1,790
Peckover Primary School	1,170	373	32	263	1,838	1,924
Thomas Clarkson Academy	5,040	1,014	361	1,986	8,401	8,614
Brooke Weston Trust						
- School improvement	1,026	-	16	-	1,042	921
- Infrastructure	-	-	-	1,014	1,014	44
- Central team	-	706	-	-	706	691
	<u>26,022</u>	<u>7,574</u>	<u>1,123</u>	<u>9,097</u>	<u>43,816</u>	<u>44,439</u>

20 Analysis of net assets between funds

	Unrestricted Funds £'000s	Restricted funds: General £'000s	Fixed asset £'000s	Endowment Funds £'000s	Total Funds £'000s
Fund balances at 31 August 2019 are represented by:					
Tangible fixed assets	-	-	133,028	-	133,028
Fixed asset investments	1,559	-	-	-	1,559
Current assets	362	5,224	989	48	6,623
Creditors falling due within one year	-	(3,462)	(406)	-	(3,868)
Creditors falling due after one year	-	(536)	-	-	(536)
Defined benefit pension liability	-	(12,986)	-	-	(12,986)
Total net assets	<u>1,921</u>	<u>(11,760)</u>	<u>133,611</u>	<u>48</u>	<u>123,820</u>

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £'000s	Restricted funds: General Fixed asset £'000s £'000s		Endowment Funds £'000s	Total Funds £'000s
Fund balances at 31 August 2018 are represented by:					
Tangible fixed assets	-	-	132,312	-	132,312
Fixed asset investments	1,485	-	-	-	1,485
Current assets	962	5,749	607	48	7,366
Creditors falling due within one year	-	(3,554)	-	-	(3,554)
Creditors falling due after one year	-	(624)	-	-	(624)
Defined benefit pension liability	-	(5,487)	-	-	(5,487)
Total net assets	<u>2,447</u>	<u>(3,916)</u>	<u>132,919</u>	<u>48</u>	<u>131,498</u>

21 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hymans Robertson LLP. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £Nil (2018: £23,543) were payable to the schemes at 31 August 2019 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

21 Pension and similar obligations

(Continued)

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found by following this link to [the Teachers' Pension Scheme website](#)

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to the TPS in the period amounted to £2,759,457 (2018: £2,440,600).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 16.3% to 23% for employers and 5.5% to 12.5% for employees.

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

21 Pension and similar obligations

(Continued)

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Total contributions made	2019 £'000s	2018 £'000s
Employer's contributions	1,484	1,302
Employees' contributions	458	428
	<u> </u>	<u> </u>
Total contributions	1,942	1,730
	<u> </u>	<u> </u>

Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	2.6	2.6
Rate of increase for pensions in payment/inflation	2.3	2.3
Discount rate for scheme liabilities	1.9	2.8
Inflation assumption (CPI)	2.3	2.3
Commutation of pension to lump sums - Pre-April 2008	25 to 50	25 to 50
Commutation of pension to lump sums - Post-April 2008	63 to 75	63 to 75
	<u> </u>	<u> </u>

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2019 Years	2018 Years
Retiring today		
- Males	21.2	22.1
- Females	23.3	24.2
Retiring in 20 years		
- Males	22.3	23.9
- Females	24.7	26.1
	<u> </u>	<u> </u>

Scheme liabilities would have been affected by changes in assumptions as follows:

	2019 £'000	2018 £'000
Discount rate + 0.1%	1,085	775
Discount rate - 0.1%	(1,085)	(775)
Mortality assumption + 1 year	1,560	1,145
Mortality assumption - 1 year	(1,560)	(1,145)
CPI rate + 0.1%	940	661
CPI rate - 0.1%	(940)	(661)
	<u> </u>	<u> </u>

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

21 Pension and similar obligations

(Continued)

The academy trust's share of the assets in the scheme	2019 Fair value £'000s	2018 Fair value £'000s
Equities	18,833	17,288
Bonds	4,273	3,343
Property	2,415	1,819
Other assets	483	695
	<u>26,004</u>	<u>23,145</u>

The actual return on scheme assets was £1,176,000 (2018: £1,202,000).

Amount recognised in the Statement of Financial Activities	2019 £'000s	2018 £'000s
Current service cost	2,790	2,961
Past service cost	180	-
Interest income	(671)	(528)
Interest cost	843	728
	<u>3,142</u>	<u>3,161</u>

Changes in the present value of defined benefit obligations	2019 £'000s	2018 £'000s
At 1 September 2018	28,632	27,501
Current service cost	2,790	2,961
Interest cost	843	728
Employee contributions	458	428
Actuarial loss/(gain)	6,346	(2,769)
Benefits paid	(259)	(217)
Past service cost	180	-
	<u>38,990</u>	<u>28,632</u>
At 31 August 2019		

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

21 Pension and similar obligations

(Continued)

Changes in the fair value of the academy trust's share of scheme assets

	2019 £'000s	2018 £'000s
At 1 September 2018	23,145	20,430
Interest income	671	528
Actuarial gain	505	674
Employer contributions	1,484	1,302
Employee contributions	458	428
Benefits paid	(259)	(217)
At 31 August 2019	26,004	23,145

22 Reconciliation of net expenditure to net cash flow from operating activities

	2019 £'000s	2018 £'000s
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(1,836)	(3,951)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(2,817)	(1,558)
Finance costs payable	7	-
Net gains/losses on investments	(75)	(76)
Rents receivable	(7)	(7)
Defined benefit pension costs less contributions payable	1,486	1,659
Defined benefit pension net finance cost	172	200
Depreciation of tangible fixed assets	1,913	1,784
(Increase) in stocks	-	(31)
(Increase)/decrease in debtors	(669)	1,771
Increase/(decrease) in creditors	314	(544)
Net cash used in operating activities	(1,512)	(753)

23 Contingent liabilities

During the year of the Funding Agreement, in the event of the sale or disposal by other means, of any asset for which a Government capital grant was received, the Academy is required, either to re-invest the proceeds, or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the Academy site and premises and other assets held for the purpose of the Academy; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

24 Commitments under operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £'000s	2018 £'000s
Amounts due within one year	120	155
Amounts due in two and five years	201	103
Amounts due after five years	7	-
	<u>328</u>	<u>258</u>

Thomas Clarkson Academy joined the trust on 1 June 2012. Its main school buildings were finance under a PFI arrangement which also provides services to the school, including maintenance of premises and IT equipment, cleaning and the provision of certain utilities. The school pays an annual amount based on a combination of fixed contribution schedules and pupil numbers which will run until 2037. In the year ended 31 August 2019, £802,339 (2018: £798,111) of costs relating to this has been recognised in expenditure.

25 Capital commitments

	2019 £'000s	2018 £'000s
Expenditure contracted for but not provided in the accounts	6,362	-
	<u>6,362</u>	<u>-</u>

26 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

Expenditure related party transactions

The following related party transactions were carried out with the academy trust's wholly owned subsidiary, Corby CTC trading Limited:

- At 31 August 2019, debtors included £Nil (2018: £13,223) due from the subsidiary.
- During the year the above balance of £13,223 due to the Trust was settled.

27 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

THE BROOKE WESTON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

28 Teaching school trading account	2019		2018	
	£'000s	£'000s	£'000s	£'000s
Direct income				
Government grants		40		117
Other income		209		113
Total income		<u>249</u>		<u>230</u>
Other costs				
Support staff costs	149		148	
Other support costs	100		80	
	<u>249</u>		<u>228</u>	
Total operating costs		(249)		(228)
Surplus from teaching school		<u>-</u>		<u>2</u>
Teaching school balances at 1 September 2018		4		2
Teaching school balances at 31 August 2019		<u>4</u>		<u>4</u>